

§ 1615.406-2

Enrollment	Weight (percent)
50,001-200,00004 to .07
200,001-500,00003 to .06
500,001 and over02 to .04

§ 1615.406-2 Certificate of accurate cost or pricing data for community rated carriers.

The contracting officer will require a carrier with a contract meeting the requirements in 1615.402(c)(2) or 1615.402(c)(3) to execute the Certificate of Accurate Cost or Pricing Data contained in this section. A carrier with a contract meeting the requirements in 1615.402(c)(2) will complete the Certificate and keep it on file at the carrier's place of business in accordance with 1652.204-70. A carrier with a contract meeting the requirements in 1615.402(c)(3) will submit the Certificate to OPM along with its rate reconciliation, which is submitted during the first quarter of the applicable contract year.

(Beginning of certificate)

CERTIFICATE OF ACCURATE COST OR PRICING DATA FOR COMMUNITY-RATED CARRIERS

This is to certify that, to the best of my knowledge and belief: (1)(a) The cost or pricing data submitted (or, if not submitted, maintained and identified by the carrier as supporting documentation) to the Contracting officer or the Contracting officer's representative or designee, in support of the _____*FEHB Program rates were developed in accordance with the requirements of 48 CFR Chapter 16 and the FEHB Program contract and are accurate, complete, and current as of the date this certificate is executed; and (b) the methodology used to determine the FEHB Program rates is consistent with the methodology used to determine the rates for the carrier's Similarly Sized Subscriber Groups if complying with § 1602.170-13.

or

(c) the determination of the carrier's FEHB-specific medical loss ratio for ** is accurate, complete, and consistent with the methodology as stated in § 1615.402(c)(3)(ii) if complying with § 1602.170-14.

*Insert the year for which the rates apply. Normally, this will be the year for which the rates are being reconciled.

**Insert the year for which the MLR calculation applies. Normally, this will be the year before the year being reconciled.

Firm: _____

Name: _____

Signature: _____

48 CFR Ch. 16 (10-1-11 Edition)

Date of Execution: _____

(End of certificate)

[76 FR 38285, June 29, 2011]

1615.407-1 Rate reduction for defective pricing or defective cost or pricing data.

The clause set forth in section 1652.215-70 will be inserted in FEHB Program contracts, at or above the threshold in FAR 15.403-4(a)(1), that are based on a combination of cost and price analysis (community-rated).

1615.470 Carrier investment of FEHB funds.

(a) Except for contracts based on a combination of cost and price analysis (community-rated), the carrier is required to invest and reinvest all funds on hand, including any attributable to the special reserve or the reserve for incurred but unpaid claims, exceeding the funds needed to discharge promptly the obligations incurred under the contract.

(b) The carrier is required to credit income earned from its investment of FEHB funds to the special reserve on behalf of the FEHB Program. If a carrier, for any reason, fails to invest excess FEHB funds or to credit any income due to the contract, it will return or credit any investment income lost to OPM or the special reserve.

(c) Investment income. Investment income is the net amount earned by the carrier after deducting investment expenses.

1615.470-1 Investment income clause.

The clause set forth in 1652.215-71 will be inserted in all FEHB contracts based on cost analysis.

Subparts 1615.8-1615.9 [Reserved]

Subpart 1615.70—Audit and Records—Negotiation

1615.7001 Audit and records.

The Contracting officer will modify 52.215-2 in all FEHB Program experience-rated contracts by amending paragraph (g) of that section to replace